



SOUTHERN ILLINOIS HEALTHCARE

March 26, 2018

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
Second Floor
525 West Jefferson
Springfield, Illinois 62761

Re: IHFSRB Project #13-069

Dear Ms. Avery:

This letter constitutes an Annual Progress Report on the above-referenced project, which was granted a CON permit at the March 11, 2014, meeting of the Illinois Health Facilities and Services Review Board and an alteration on February 16, 2016.

You may recall that this permit is for the expansion and modernization of Memorial Hospital of Carbondale.

The altered permit was approved with project costs of \$56,112,398, the source for which is debt financing in the form of tax-exempt bonds, and cash and securities.

1. The current status of the project is as follows.
 - a. The project was financially committed on April 11, 2014.
 - b. 73% of the project is finished.
 - c. The following components of the project have been completed.
 - Subsurface work, including storm and sanitary lines
 - New Construction, which includes many departments included in the project
 - Modernization of some departments included in the project, except as noted under 1.d.
 - Paving
 - Landscaping

- d. The following components of the project have not been completed.
- Modernization of Surgical Suite, Pharmacy, and Mechanical/Electrical Space and Equipment
- e. The project costs are currently unchanged from the approved altered permit.

However, although the Total Project Costs will not increase, it will be necessary to shift the costs of some line items, and notification will be submitted to the HFSRB as soon as the amounts of these shifts among line item costs has been determined.

2. The costs incurred to date as of February 28, 2018 are \$41,568,538.

I am enclosing an itemized listing of the costs incurred as of February 28, 2018, and a comparison of those costs to the approved alteration amounts.

3. The method of financing the project and the source of funds are debt financing in the form of tax exempt bonds, and cash and securities, as specified in the alteration to our CON permit.
4. It may be necessary to request a permit renewal beyond our current project completion date of December 31, 2018, and we will submit a permit renewal request if that is determined to be necessary.

Please feel free to contact Andrea Rozran of Diversified Health Resources (312-266-0466) if you have any questions.

Sincerely,



Cathy Blythe
System Manager, Planning and Physician Recruitment
Southern Illinois Healthcare

Enclosures

cc: Andrea Rozran
Phil Schaefer

MEMORIAL HOSPITAL OF CARBONDALE EXPANSION AND MODERNIZATION
IHFPB PROJECT # 13-069
PROJECT COSTS AND SOURCES OF FUNDS AS OF 2/28/18

	TOTAL COSTS INCURRED	APPROVED COSTS PER ALTERATION TO CON PERMIT
Preplanning Costs	\$156,229	\$159,231
Site Survey and Soil Investigation	\$23,520	\$33,638
Site Preparation	\$188,631	\$188,631
Off Site Work	\$395,218	\$395,218
New Construction Contracts	\$20,865,371	\$20,865,371
Modernization Contracts	\$4,878,463	\$6,810,506
Contingencies	\$2,644,088	\$2,644,088
Architectural/Engineering Fees	\$1,932,049	\$1,963,438
Consulting and Other Fees	\$735,426	\$2,003,014
Movable or Other Equipment (not in construction contracts)	\$8,827,517	\$10,209,230
Bond Issuance Expense (project related)	\$339,736	\$1,055,000
Net Interest Expense during construction (project related)	\$496,618	\$9,680,000
Fair Market Value of Leased space or equipment	\$0	\$0
Other costs to be capitalized	\$85,672	\$105,033
Acquisition of building or other property (excluding land)	\$0	\$0
Estimated Total Project Cost	\$41,568,538	56,112,398